S
350.875
R1F
1970

STATE DOCUMENTS

JUL 12 1971

ANNUAL REPORT
OF THE
BOARD OF RAILROAD COMMISSIONERS
EX-OFFICIO
PUBLIC SERVICE COMMISSION

TO THE

GOVERNOR OF MONTANA

HONORABLE FORREST H. ANDERSON

FOR THE

FISCAL YEAR ENDED

June 30, 1970

Montana State Library
3 0864 1003 9828 1

Board of Railroad Commissioners

OF THE STATE OF MONTANA

EX-OFFICIO
PUBLIC SERVICE COMMISSION OF MONTANA

MEMBERS
PAUL T. SMITH, CHAIRMAN
LOUIS G. BOEDECKER
ERNEST C. STEEL

HELENA

ADDRESS ALL COMMUNICATIONS
TO THE COMMISSION

November 13, 1970

The Honorable Forrest H. Anderson
Governor
State of Montana
Helena, Montana 59601

Dear Governor Anderson:

In accordance with the requirements of Section 82-4002, R.C.M. 1947, there is herewith transmitted to you the report of the Board of Railroad Commissioners, ex-officio Public Service Commission of the State of Montana covering the fiscal year ended June 30, 1970.

The report encompasses the activities of the various departments of this Board for the last fiscal year. The activities pertaining to regulation of motor carriers under the Montana Motor Carrier Act, regulation of public utilities, piplelines and railroads are all included within the report. If you desire further information relevant to any aspect of this report, this office will be willing to cooperate to the fullest.

Respectfully submitted,

Paul T. Smith

PAUL T. SMITH
Chairman

TABLE OF CONTENTS

	Page
PRINCIPAL OFFICES AND OFFICERS	1
GENERAL REVIEW:	
LEGAL REFERENCES	2
PRINCIPAL GOALS	3
PROGRAM INVENTORY AND COST SUMMARY	4
MAJOR ACCOMPLISHMENTS	5
MAJOR RECOMMENDATIONS	6
DETAILED REVIEW:	
ANALYSIS OF PROGRAMS	7
Services Provided; Objectives; Target Groups; Achievements; and Cost and Performance Summary	
FINANCIAL RECAP	8

PRINCIPAL OFFICES AND OFFICERS

BOARD OF RAILROAD COMMISSIONERS
EX-OFFICIO
PUBLIC SERVICE COMMISSION

OFFICER TERM OF OFFICE	HOME ADDRESS
PAUL T. SMITH, CHAIRMAN 1964 - 1970	Boulder, Montana
LOUIS G. BOEDECKER, COMMISSIONER 1966 - 1972	221 Adams Helena, Montana
ERNEST C. STEEL, COMMISSIONER 1968 - 1974	416 Raymond Helena, Montana
CATHERINE A. DUBOIS, SECRETARY	810 Motsiff Lane Helena, Montana

PRINCIPAL ADMINISTRATIVE OFFICERS

WILLIAM E. O'LEARY, CHIEF COUNSEL
HARRY C. LARSON, DIRECTOR OF TRANSPORTATION
WILLIAM M. JOHNSON, DIRECTOR OF PUBLIC UTILITIES
FRANCIS E. FISHER, SUPERVISOR OF MOTOR VEHICLES

PRINCIPAL OFFICE

CAPITOL BUILDING, HELENA, MONTANA

LEGAL REFERENCES

The statutory authorizations for the activities of the Board of Railroad Commissioners, ex-officio Public Service Commission of the State of Montana are as follows:

Railroad Commission Act 1907 Title 72, Chapter 1 Revised and Amended	General supervision, control and regulation of rates, fares, charges, service facilities and safety regulations relating to transportation by rail.
Public Service Commission 1913 Title 70, Chapter 1 Revised and Amended (The Board of Railroad Commissioners was designated ex-officio Public Service Commission)	Supervision, regulation and control over all public utilities, including municipally owned utilities, furnishing water, sewer, electricity, gas heat, power, telephone or telegraph service. Regulation includes all matters relating to rates, services and facilities.
Common Carrier Pipe Lines 1921 Title 8, Chapter 2 Revised and Amended	Supervision of rates, charges, services and facilities of common carriers of petroleum and petroleum products by pipe line.
Electrical Construction 1917 Title 24, Chapter 1 Revised and Amended	Supervision and enforcement of laws and regulations relating to overhead construction of electrical construction.
Motor Carrier Act 1923, Revised and Amended Title 8, Chapter 1	Creation, service, regulation and control over "for-hire" motor vehicles operating upon the public highways of the State of Montana, with certain exceptions.
VHF Booster and Translator Television Systems 1959 Title 70, Chapter 26	Authorizing the licensing and use of VHF Booster and Translator Television Systems.
Public Utilities Securities Act 1961 Title 70, Chapter 1	Necessity of every electric or gas public utility must obtain approval of Board for issuance of certain securities.

PRINCIPAL GOALS

The Board of Railroad Commissioners and Public Service Commission exists to regulate the transportation and public utility industry within the State of Montana.

Its major goal being to provide safe and dependable transportation and utility services at reasonable costs.

PROGRAM INVENTORY AND COST SUMMARY

PROGRAM	COST 1969-70 F.Y.
Railroad and Public Service Regulation	$ 247,757

MAJOR ACCOMPLISHMENTS

The major accomplishments of this year are recorded in the attached listing of orders issued.

Some not listed are the successful effort in retaining the Mainstreeter passenger service in Montana; the successful effort to keep in operation the branch line between Gardiner and Livingston; and the successful effort to keep in operation the branch line between Sappington Junction and Norris.

The Commission was also successful in its efforts to force the Federal Communication Commission to enlarge Montana's portion of the interstate toll revenue through successfully having a larger share of the expense in connection with interstate toll calls charged to the interstate companies.

MRC ORDERS
July 1, 1969 - June 30, 1970

Findings and Orders No. 1631 through Findings and Orders No. 1667, 37 Orders.

ORDERS ON MATTERS OTHER
THAN M.R.C. APPLICATIONS

By Final Order No. 3282, issued in Docket No. 5743, Interim Order No. 3282 became final in the matter of the change of schedules of Great Northern Railway Company's Trains Nos. 333 and 334 operating between Saco and Hogeland, Montana.

By Order No. 3330, issued in Docket No. 5831, MRC Interstate Permit No. 3097, issued to W. J. Digby, Inc. of Iowa, Salt Lake City, Utah, was cancelled.

By Order No. 3331, issued in Docket No. 5849, MRC Interstate Permit No. 2800, issued to L. James Averett and Don J. Kelsey, a partnership, d/b/a Averett & Son Trucking Co., Cowley, Wyoming, was cancelled.

By Order No. 3332, issued in Docket No. 5835, the petition of the Milwaukee Railroad Company for authority to discontinue its agency station at Plevna, Montana and to make Plevna, Montana an on-call station to be served from Baker, Montana, was granted.

By Order No. 3333 the application of The Washington Water Power Company for an Order authorizing the issuance of 400,000 shares of Common Stock, no par value, was approved.

By First Supplemental Order No. 3333, issued in Docket No. 5875, Amendment to the application of The Washington Water Power Company for an order authorizing the issuance of 400,000 shares common stock, no par value, was approved.

By Order No. 3334, issued in Docket No. 5857, the application of the Taxi companies operating in Great Falls, Montana, for authority to increase taxi fares and charges, was approved.

By Order No. 3335, issued in Docket No. 5826, the application of The Mountain View Transportation Company for authority to increase rates and charges was approved.

By Order No. 3335-A, issued in Docket No. 5826, passenger service on a 5-day a week basis between Opportunity and The Anaconda Reduction Works on a 90-day trial, schedules between points in Anaconda and The Anaconda Reduction Works were removed, and fares to be increased, were approved.

By Order No. 3336, issued in Docket No. 5862, the Anaconda Water Works, a Division of Butte Water Company, a corporation, for construction of its water service tariff, was authorized to file schedules of rates and charges.

By Order No. 3337, issued in Docket No. 5860, The Mountain States Telephone & Telegraph Company was ordered to furnish

telephone service to William Dee Morris, with certain conditions to be met by Mr. Morris before service was furnished.

By Order No. 3338, issued in Docket No. 5861, the application of the Northern Pacific Railway Company for authority to abandon its stockyards at Columbus, Montana, was approved.

By Order No. 3339, issued in Docket No. 5876, MRC Interstate Permit No. 3024, issued to William Z. Getz, Inc., Lancaster, Pennsylvania was cancelled.

By Order No. 3340, issued in Docket No. 5869, MRC Interstate Permit, issued to NRM Trucking Co., Malvern, Pennsylvania, was cancelled.

By Order No. 3341, the application of The Washington Water Power Company for an Order authorizing the issuance of 14,285 shares of common stock, no par value, Docket No. 5885, was approved.

By Order No. 3342, issued in Docket No. 5878, MRC Interstate Permit No. 3185, issued to Lebanon Bus Co., Lebanon, Pennsylvania, was cancelled.

By Order No. 3343, issued in Docket No. 5858, the petitions of the Great Northern Railway Company, the Northern Pacific Transport Company and Pacific Inland Tariff Bureau, Inc., for authority to increase intrastate motor carrier rates and charges, was approved.

By Order No. 3344, issued in Docket No. 5903, the application of Pacific Power & Light Company for an order authorizing the issuance and sale of $20,000,000 in principal amount of First Mortgage Bonds and 150,000 shares of Serial Preferred Stock, was approved.

By Order No. 3345, issued in Docket No. 5881, the application of Northern Pacific Transport Company for authority to transfer a portion of MRC Certificate No. 964 (Between Darby and Missoula; and between Hamilton and Forence) to Dean A. Hatvick, Havre, Montana, was approved.

By Order No. 3346, issued in Docket No. 5888, the petition of Northern Montana Beet Growers Association protesting increased rates on sugar beets by Northern Pacific Railway Company and Great Northern Railway Company in applying X-259 increases, was approved.

By Order No. 3347, issued in Docket No. 5884, MRC Permit No. 284 of W. M. Daniels (deceased), Butte, Montana, was cancelled.

By Order No. 3348, issued in Docket No. 5919, the application of Pacific Power & Light Company for authority to issue unsecured promissory notes in the aggregate principal amount of not to exceed $45,000,000 at any one time outstanding, and to issue unsecured promissory notes in the form of Commercial Paper in an aggregate principal amount of not to exceed $20,000,000 at any one time outstanding was approved.

By Order No. 3349, issued in Docket No. 5912, all authority issued to Zook Brothers Construction Company, North of Great Falls, Montana, in Findings and Order No. 1635, issued in Docket No. MC-1606, was cancelled and terminated.

By Order No. 3350, issued in Docket No. 5913, the petition of the Great Northern Railway Company for authority to dualize and combine the Stations of Peerless and Richland, Montana, was granted.

By Order No. 3351, issued in Docket No. 5914, the petition of the Great Northern Railway Company for authority to dualize and combine the Stations of Scobey and Four Buttes, Montana, was granted.

By Order No. 3352, issued in Docket No. 5915, the petition of the Great Northern Railway Company for authority to dualize and combine the Stations of Flaxville and Redstone, Montana, was granted.

By Order No. 3353, issued in Docket No. 5908, the application of the Union Pacific Railroad Company for authority to discontinue its agency station at Divide, Montana, was granted.

By Order No. 3354, issued in Docket No. 5909, the application of the City of Malta, Montana for authority to increase its rates and charges for water in the territories served by it and proposed by it, was granted.

By Order No. 3355, issued in Docket No. 5910, the application of the Saco Municipal Gas Service for authority to increase its rates and charges for natural gas service in the territory served by it, was approved.

By Order No. 3356, issued in Docket No. 5926, MRC Interstate Permit No. 2755, issued to The Short Line, Inc. of Penn., West Chester, Pa., was cancelled.

By Order No. 3357, issued in Docket No. 5918, MRC Interstate Permit No. 2798, issued to Shaffer Trucking, Inc., New Kingstown, Pa., was cancelled.

By Supplemental Order No. 3346,issued in Docket No. 5888, all proceedings in this docket were dismissed. (Petition of the Northern Montana Beet Growers Association protesting increased rates on sugar beets by Northern Pacific Railway Company and Great Northern Railway Company in applying X-259 increases.)

By Order No. 3358, issued in Docket No. 5935, MRC Certificate No. 3134, issued to Larry O. Portra, Froid, Montana, was cancelled.

By Order No. 3359, issued in Docket No. 5936, the application of the Montana Motor Tariff Bureau, Inc. for authority to increase rates on various petroleum products between points in the State of Montana, was granted.

By Order No. 3360, issued in Docket No. 5925, petition of the Northern Pacific Railway Company for authority to abandon and remove the Stock Scales at Savage, Montana, was granted; petition of the Northern Pacific Railway Company for authority to abandon and remove the Stock Scales at Crane, Montana, was denied.

By Order No. 3361, issued in Docket No. 5749, the application of the Butte Water Company for authority to increase its rates and charges for water service, was approved.

By Order No. 3362, issued in Docket No. 5882, the application of the Valley Water Company for authority to increase its rates and charges for water service furnished at Hamilton, Montana and vicinity was granted.

By Final Order No. 3335, issued in Docket No. 5826, the Mountain View Transportation Company was ordered to reinstate passenger bus service between Opportunity, Montana and the Anaconda Company Reduction Works on a permanent basis.

By Order No. 3363, issued in Docket No. 5937, MRC Certificate No. 750, issued to John M. Knoll, Glendive, Montana, was cancelled.

By Order No. 3364, issued in Docket No. 5949, MRC Permit No. 3006, issued to Warren C. Shepard and Raymond Clairmont, a partnership, d/b/a C & S Distributors, Missoula, Montana, was cancelled.

By Order No. 3365, issued in Docket No. 5952, MRC Permit No. 3140, issued to Mobile Homes Express, Inc., Lansing, Illinois, was cancelled.

By Order No. 3366, issued in Docket No. 5951, MRC Permit No. 3072, issued to Austin F. Robbins, d/b/a Chenango Valley Transit, Binghamton, New York, was cancelled.

By Order No. 3367, issued in Docket No. 5953, MRC Certificate No. 3163, issued to Kenneth Krislock d/b/a Kenny's Body Shop, West Yellowstone, Montana, was cancelled.

By Order No. 3368, issued in Docket No. 5957, the Board found public convenience and necessity was found to require daily service, except Saturdays, Sundays and Holidays, between Livingston and Gardiner, Montana, through September 30, 1970.

By Order No. 3369, issued in Docket No. 5964, the application of The Montana Power Company for authority to issue $30,000,000 of First Mortgage Bonds, was approved.

By Supplemental Order No. 3369, issued in Docket No. 5964, the First Supplemental Application of The Montana Power Company was approved.

By Order No. 3370, issued in Docket No. 5966, the application of The Mountain States Telephone and Telegraph Company for permission to use certain accounts in providing for normalization of accelerated tax depreciated, was approved.

By Order No. 3371, issued in Docket No. 5972, the application of The Washington Water Power Company for an order authorizing the issuance of $20,000,000 of First Mortgage Bonds, was approved.

By Supplemental Order No. 3371, issued in Docket No. 5972, the application of The Washington Water Power Company for an order authorizing the issuance of $20,000,000 of First Mortgage Bonds, was approved.

By Order No. 3372, issued in Docket No. 5974, the Board

ordered the Chicago, Milwaukee, St. Paul and Pacific Railroad Company to construct sufficient and adequate locker facilities at its depot building located in its yards at Miles City, Montana.

By Order No. 3373, issued in Docket No. 5965, intrastate authority under MRC 1679, issued to Ringsby Pacific Ltd., Denver, Colorado was cancelled; and certain intrastate authority under MRC 1375, issued to United Buckingham Freight Lines, Inc. was cancelled.

By Order No. 3374, issued in Docket No. 5943, MRC Temporary Interstate Authority No. 78TA, issued to Kaylon T. Howard, Twin Falls, Idaho, was cancelled.

By Order No. 3375, issued in Docket No. 5944, issued in Docket No. 5944, MRC Permit No. 3159, issued to Marvel Truck & Dozer Service, Inc., Casper, Wyoming, was cancelled.

By Order No. 3376, issued in Docket No. 5955, MRC Certificate No. 3099, issued to Conrad Batt, Billings, Montana, was cancelled.

By Order No. 3377, issued in Docket No. 5961, the application of Glacier Transportation, a corporation, d/b/a Glacier Transportation, for authority to reduce service between Great Falls and Choteau, Montana, was granted.

By Order No. 3378, issued in Docket No. 5978, the application of the General Telephone Company of the Northwest Inc. for permission to use normalization of accelerated tax depreciation, was granted.

By Order No. 3379, issued in Docket No. 5932, the application of Railroads for authority to increase freight rates and charges, 1969, (Ex Parte No. 262) was granted with limitations.

By Order No. 3380, issued in Docket No. 5962, the application of Montana Motor Tariff Bureau, Inc., for authority to increase rates on cement was approved.

By Order No. 3381, issued in Docket No. 5973, the application of Montana-Dakota Utilities Company for authorization of the issuance of $18,000,000 of promissory notes, was granted.

By Order No. 3382, issued in Docket No. 5975, MRC Permit No. 3195, issued to Fuqua Bus Lines, Inc. Owensboro, Kentucky, was cancelled.

By Order No. 3383, issued in Docket No. 5899, MRC Certificate No. 3018, issued to Donald L. Tamietti, Walkerville, Montana, was cancelled.

By Order No. 3384, issued in Docket No. 5977, MRC Certificate No. 3088, issued to Emil Prinkki, Roberts, Montana, was cancelled.

By Order No. 3385, issued in Docket No. 5992, the application of Pacific Power & Light Company for authority to issue 1,562,691 shares of its Common Stock of the par value of $3.25 per share, was granted.

By Order No. 3386, issued in Docket No. 5980, MRC Certificate No. 1192, issued to Clifford and Lunita Ford, Livingston, Montana, was cancelled.

By Order No. 3387, issued in Docket No. 5985, MRC Permit No. 3192, issued to Miami Valley Bus Lines, Inc., Trotwood, Ohio, was cancelled.

By Order No. 3388, issued in Docket No. 5995, the application of Pacific Power & Light Company for an order authorizing the issuance and sale of $25,000,000 in principal amount of First Mortgage Bonds, was granted.

By Order No. 3389, issued in Docket No. 5987, the petition of the City of Three Forks, Montana, for an increase in water rates, was granted.

By Order No. 3390, issued in Docket No. 5979, the petition of the Board of County Commissioner of Stillwater County, state of Montana, concerning the installation and maintenance of an electrically operated bell or other signaling device at the Clark Street crossing at Park City, Montana, was granted.

By Order No. 3391, issued in Docket No. 5759, the complaint of Yellowstone Valley Electric Co-operative, Inc., a corporation, Plaintiff vs. The Montana Power Company, a corporation, Defendant, was dismissed.

MAJOR RECOMMENDATIONS

In line with the current concern of the people regarding the environment, the Commission recommends that legislation be enacted to provide a single agency for expeditious resolution of all matters concerning the location of electric generation plants and associated facilities, constructed by any person, partnership, corporation, association, political subdivision, government agency, local government or other organization.

In line with the above, we recommend that the agency so chosen shall receive an application which shall include a summary of environmental impact studies, statement of public need, comparison of proposed site with any responsible alternatives and, of course, a proof of public notice.

The Commission will, of course, be ready and available to discuss the details of this recommendation with the Governor and/ or the legislature.

Service Provided. Regulation of transportation and public utilities requires a day-to-day approach, in effect constant surveillance, to provide safe dependable service at reasonable charges. This service, while basically directed to the companies and firms providing the service, is in purpose directed to all the public of the State of Montana.

Objectives. To maintain and improve the service provided.

Target Groups. All those comprising the public of Montana so desiring the service. We envision the day when everyone so desiring public utility service shall be able to obtain same at a cost within the means of the individual desiring the service.

Achievements. The public has been provided with the best of public utility service at a cost below the national average. The failure of the public to use the passenger service provided has presented problems for which we do not have the answer as yet. We have succeeded in the past year in maintaining the status quo in regards to passenger service.

Cost and Performance Study.

	.....FISCAL YEARS.....		
	1967-68	1968-69	1969-70
Cost	$213,355	$217,976	$247,757

The performance of the Commission cannot be measured by mere numbers. We would be glad to discuss this in detail at the convenience of the Governor.

FINANCIAL RECAP

PROJECT COSTS BY OBJECT OF
EXPENDITURE AND SOURCE OF FUNDING
1969-70 FISCAL YEAR

RAILROAD AND PUBLIC UTILITY REGULATION

OBJECT OF EXPENDITURE

PERSONAL SERVICES	$ 184,828
OPERATIONS	52,551
CAPITAL	10,378
TOTAL EXPENDED	$ 247,757

SOURCE OF FUNDING

GENERAL FUND	$ 247,757